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*To ensure access to high-quality,
patient-centered, cost-effective health
care to Los Angeles County residents
through direct services at DHS facilities
and through collaboration with
community and university partners.*



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August 05, 2014

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**AUTHORIZATION FOR THE SOLE SOURCE ACQUISITION AND
INSTALLATION OF AN IMAGE-GUIDED RADIATION THERAPY (IGRT)
SOLUTION AND ON-BOARD IMAGING SYSTEM AT LAC+USC MEDICAL
CENTER AND APPROVE AN APPROPRIATION ADJUSTMENT
(FIRST DISTRICT)
(4 VOTES)**

SUBJECT

Authorize the Internal Services Department as the County's Purchasing Agent to proceed with the sole source acquisition of fixed medical equipment, including items with a purchase cost in excess of \$250,000, for the Department of Health Services' LAC+USC Medical Center Radiation Oncology Department and approve an appropriation adjustment.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the proposed project is exempt from the California Environmental Quality Act (CEQA) for the reasons stated in this letter and in the record of the project.
2. Approve the Project and Authorize the Internal Services Department (ISD), as the County's Purchasing Agent, to proceed with the acquisition of material and installation services for an Image-Guided Radiation Therapy (IGRT) Solution and On-Board Imaging System as an added enhancement to an existing radiotherapy system for the Department of Health Services' (DHS) LAC+USC Medical Center (LAC+USC MC), as a turn-key project, at an estimated cost of \$340,000, which will include any necessary room alterations

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

15 August 5, 2014

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

to accommodate the new equipment.

3. Approve the appropriation adjustment in the amount of \$340,000, which will transfer funds from Various Refurbishments Project, Capital Project No. 86937 to LAC+USC Healthcare Network's Operating Budget, Capital Assets Equipment as included in the attachment.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended action is to find that the project is exempt from the CEQA and allow the Purchasing Agent to acquire on a sole source basis and install a new IGRT Solution and On-Board Imaging System as an added enhancement to an existing radiotherapy system at LAC+USC MC.

The basis for the sole source acquisition of this equipment is due to the fact that Varian Medical Systems is the original equipment manufacturer and the sole distributor of the existing radiotherapy system at LAC+USC MC and is not compatible with other manufacturers IGRT and On-Board Imaging Systems. No other vendors have been considered due to the proprietary nature of this equipment.

The new system will incorporate advanced radiation treatment technology with the capacity to deliver improved tumor targeting using high resolution, low dose digital imaging in the treatment room. This is a key component to allow delivery of Stereotactic Ablative Body Radiotherapy which is a core modality in radiation treatment and not currently available at any DHS facility. The project is anticipated to be completed within 30 days following Board approval. Attachment B provides a project schedule and budget summary.

Implementation of Strategic Plan Goals

The recommended action will support Goal 1, Operational Effectiveness/Fiscal Sustainability, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

The estimated acquisition and installation cost of an IGRT Solution and On-Board Imaging System is \$340,000. This equipment will have a manufacturer's warranty for the first year. DHS plans to add this equipment to the existing Equipment Maintenance and Repair Services Agreement with Varian Medical Systems when the manufacturer's warranty expires at an estimated annual cost of \$55,000.

Approval of the attached appropriation adjustment (Attachment A) will reallocate \$340,000 funding from Capital Project No. 86937 to LAC+USC Healthcare Network's Operating Budget, Capital Assets Equipment, to provide the funding for the acquisition and installation of the equipment. Funding for the estimated annual maintenance and repair costs will be requested in future fiscal years as needed.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On October 16, 2001, the Board approved the classification categories for fixed assets and new requirements for major fixed asset (now referred to as capital asset) acquisitions requiring County departments to obtain Board approval to purchase or finance equipment with a unit cost of \$250,000,

or greater, prior to submitting their requisitions to ISD.

The labor component associated with the installation and any necessary room alterations to accommodate the equipment is budgeted at \$21,721 and may exceed the authority of the Purchasing Agent, Board approval is also required to move forward with this aspect of the project.

ENVIRONMENTAL DOCUMENTATION

The proposed project is categorically exempt from the CEQA. The project, to purchase on a sole source basis and install a new IGRT Solution and On-Board Imaging System as an added enhancement to an existing radiotherapy system at LAC+USC MC, is within a class of projects that has been determined not to have a significant effect on the environment in that it meets the criteria set forth in Section 15301(a) of the State CEQA Guidelines and Class 1 (a) of the County's Environmental Document Reporting Procedures and Guidelines, Appendix G. In addition, the project is not in a sensitive environment, and there are no cumulative impacts, unusual circumstances, or other limiting factors that would make the exemption inapplicable based on the project records.

CONTRACTING PROCESS

The acquisition of equipment falls under the statutory authority of the County Purchasing Agent. The purchase will be requisitioned through and accomplished by the Purchasing Agent in accordance with the County's purchasing policies and procedures established by ISD. ISD will negotiate a sole-source agreement with Varian Medical Systems as the sole distributors of the equipment identified in Attachment B.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommended actions will allow DHS' LAC+USC MC to provide radiation treatment in a more efficient and convenient manner, improve patient outcomes, and increase patient flow.

The Honorable Board of Supervisors

8/5/2014

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Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mitchell Katz". The signature is written in a cursive, flowing style.

Mitchell H. Katz, M.D.

Director

MHK:dl

Enclosures

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors
Internal Services Department

PINK

BA FORM 03/13

BOARD OF
SUPERVISORS
OFFICIAL COPY

COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENT

DEPT'S. NO. 160

DEPARTMENT OF HEALTH SERVICES

July 11, 2014

AUDITOR-CONTROLLER:

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. PLEASE CONFIRM THE ACCOUNTING ENTRIES AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF EXECUTIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFOR

FY 2014-15

4 - VOTES

SOURCES

HS - Various Refurbishments
A01-CP-6014-65036-86937
Capital Assets - Building and Improvements
DECREASE APPROPRIATION

\$340,000

LAC+USC Healthcare Network Enterprise Fund
MN4-HG-96-9912-60010
Operating Subsidy
INCREASE REVENUE

\$340,000

SOURCES TOTAL: \$ 680,000

USES

Ent Sub - LAC+USC Healthcare Network Enterprise Fund
A01-AC-6100-21200-21224

Other Financing Uses

INCREASE APPROPRIATION

\$340,000

LAC+USC Healthcare Network Enterprise Fund
MN4-HG-6030-60010

Capital Assets - Equipment

INCREASE APPROPRIAION

\$340,000

USES TOTAL: \$ 680,000

JUSTIFICATION

This appropriation adjustment in the amount of \$340,000, which will transfer funds from the Capital Project No. 86937 to LAC+USC Healthcare Network's Operating Budget, Capital Assets. This adjustment is necessary to fund the equipment acquisition and installation of an Image-Guided Radiation Therapy (IGRT) Solution and On-Board Imaging System.

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

AUTHORIZED SIGNATURE Mela Guerrero, Controller, DHS

BOARD OF SUPERVISOR'S APPROVAL (AS REQUESTED/REVISED)

15

AUG 05 2014

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

REFERRED TO THE CHIEF
EXECUTIVE OFFICER FOR ---

☐ ACTION

☒ RECOMMENDATION

AUDITOR-CONTROLLER

BY

B.A. NO.

009

[Signature]
July 15 20 14

☒ APPROVED AS REQUESTED

☐ APPROVED AS REVISED

CHIEF EXECUTIVE OFFICER

BY

[Signature]
July 21 20 14

20 14

**ACQUISITION AND INSTALLATION OF AN IMAGE-GUIDED RADIATION
THERAPY (IGRT) SOLUTION AND ON-BOARD IMAGING SYSTEM AT
LAC+USC MEDICAL CENTER**

I. PROJECT SCHEDULE

Project Activity	Scheduled Completion Date
Proposed Completion	30 days following Board approval

II. BUDGET SUMMARY

Budget Category	Proposed Budget	Sales Tax 9%	Total
Equipment	\$291,169	\$26,205	\$318,000
Room Renovation/Installation	\$21,721	\$0	<u>\$22,000</u>
Total Project Cost:			<u>\$340,000</u>